IN THE

Supreme Court of the United States

OCTOBER TERM, 1947

No. 244

EUPHIME V. BERESLAVSKY,

(Plaintiff in Civil Action No. 26-575 against Socony-Vacuum Oil Company, Incorporated),

v.

FRANCIS G. CAFFEY,

United States District Judge for the Southern District of New York,

Respondent and Petitioner.

BRIEF OF EUPHIME V. BERESLAVSKY IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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The petition for certiorari, as a basis for asking this Court's review, postulates a question not presented to the Circuit Courts of Appeals for the Second and Sixth Circuits. Building upon this fictitious postulate, petitioner's counsel asserts a conflict with a decision of the Circuit Court of Appeals for the Ninth Circuit and a vital public interest by reason of the constitutional right to a jury trial. Neither the conflict nor the interest exists in fact.

The original complaint in the action entitled *Euphime V. Bereslavsky,* Plaintiff, v. *Socony-Vacuum Oil Company, Inc.,* Defendant, United States District Court for the

Southern District of New York, Civil Action No. 26-575, pleaded a single cause of action for patent infringement under R. S. § 4921 (Title 35, § 70, U. S. Code). The prayer for relief read as follows:

> "WHEREFORE, plaintiff demands a preliminary and final injunction against further infringement by defendant and those controlled by defendant, an accounting for profits and damages, and an assessment of costs against the defendant."

Section 4921 of the *Revised Statutes* is the equity section of the patent laws vesting the district courts with the power to grant injunctions according to the course and principles of courts of equity and providing for an accounting of profits and an assessment of damages. Plaintiff, upon the filing of this complaint, had no right to a jury trial on any issue presented by his pleading, and this was so held by the Circuit Courts of Appeals for both the Second and Sixth Circuits.

By amendment the action was transformed into an action on the case under R. S. § 4919 (Title 35, § 67, U. S. Code), and the prayer for relief was changed so as to demand a sum of money only in the following words:

> "WHEREFORE, plaintiff demands judgment against defendant in the sum of $2,500,000, interest and costs."

A legal issue thus being raised for the first time, plaintiff promptly filed his request for a jury. The District Court (The Honorable Francis G. Caffey, the nominal petitioner here) upon motion of Socony-Vacuum Oil Company, Inc., ordered the jury demand stricken.

Following the procedure suggested by this Court in *Los Angeles Brush Corp.* v. *James,* 272 U. S. 701 (1927), a petition for mandamus was presented to the Circuit Court of Appeals for the Second Circuit, which Court

granted the petition, directed the vacation of Judge Caffey's order and reinstated plaintiff's action as an action triable by a jury.

It is respectfully submitted that upon the reasoning and authorities set out in the opinions of the Circuit Courts of Appeals for the Second Circuit and for the Sixth Circuit, the granting of the writ of mandamus was proper. For the convenience of the Court a copy of the decision of the Circuit Court of Appeals for the Sixth Circuit in *Bereslavsky* v. *Kloeb,* —— F. 2d ——; 74 USPQ 79, is printed in the appendix hereto.

The petition for a writ of certiorari should be denied.

Respectfully,

W. B. Morton,
Attorney for Plaintiff.

Louis D. Forward,
Curt Von Boetticher, Jr.,
W. B. Morton, Jr.,
of Counsel.

New York, N. Y.,
September 2, 1947.

Appendix

No. 10451

UNITED STATES CIRCUIT COURT OF APPEALS,

SIXTH CIRCUIT.

EUPHIME V. BERESLAVSKY,
Petitioner,

v.

HONORABLE FRANK L. KLOEB, United States District Judge,
Respondent.

PETITION for Writ of Mandamus.

Decided June 30, 1947.

Before SIMONS, ALLEN and MILLER, Circuit Judges.

SIMONS, Circuit Judge. The petitioner is plaintiff in a patent infringement suit begun by bill in equity against the Sun Oil Company, seeking the usual injunction and accounting. On July 21, 1945, the Judge Advocate General of the Army requested that trial therein and in a similar suit pending in New York, be postponed until after the war emergency, because the patent involved data, the disclosure of which might be inimical to the United States. Conforming to the request both causes were removed from the trial calendars in their respective courts. On May 21, 1946, the patent in suit expired. Thereafter, on August 27, the petitioner moved for leave to amend his petition, striking the prayer for equitable relief and accounting under

R. S. § 4921, 35 U. S. C. A. 70, and substituting therefor a prayer for money damages under R. S. § 4919, 35 U. S. C. A. 67, and an order granting the motion was entered September 24.

On October 2, 1946, an amended complaint was filed seeking money damages, and five days thereafter the plaintiff demanded a jury trial pursuant to Rule 38 of the Federal Rules of Civil Procedure. On February 10, 1947, the Sun Oil Company, defendant, moved to strike the order granting petitioner's jury demand. The motion was granted by the district judge on February 25, 1947. The writ of mandamus is sought to direct the court to vacate his order.

The problem is identical with that resolved by the Second Circuit Court of Appeals in *Bereslavsky* v. *Caffey, District Judge,* ... Fed. (2d) ..., on May 7, 1947. There the writ was granted with a supporting opinion that would seem adequately to dispose of the present cause were it not for the respondent's insistence that the question have our independent and fully considered judgment. Rule 38 provides that any party may demand a trial by jury of any issue triable of right by making written demand therefor, but not later than ten days after the service of the last pleading directed to the issue, and that failure to serve such demand constitutes a waiver of jury trial. The petitioner's position is that at the time of the filing of the last original pleading he could not have asked for a jury because the action was then cognizable solely in equity, and it was not until the amended complaint for damages was filed that his right to a jury arose. The respondent contends that the petitioner could have demanded a jury trial in the original action under § 4921, and not having done so waived the right. Its principal argument in support of that contention is that the Rules of Civil Procedure have eliminated all procedural differences between law and equity.

The power of the court, in aid of its appellate jurisdiction, to issue the writ now prayed, is not and may not be questioned. *Ex Parte Peru,* 318 U. S. 578; *United States Alkali Assn.* v. *U. S.* 325 U. S. 196, 204. Section 4921 vests in the several district courts of the United States, jurisdiction in cases arising under the patent laws and authorizes the granting of injunctions according to the course and principles of courts of equity to prevent the violation of any rights secured by patent, and empowers the court to grant recovery of profits and damages. While the Rules of Civil Procedure (Rule 2) provide for one form of action, we agree with the Second Circuit Court of Appeals that they have not completely obliterated for all purposes, the historic differences between law and equity. They have, for the purpose of achieving a simplified procedure, abolished technical differences, but cases that historically were equitable are still to be tried to the court, and those that were legal, to the jury. It is true that the Chancellor may separate legal issues and send them to the jury once equitable issues have been disposed of, but this does not prevent him from exercising his historic power to dispose of the whole case as Chancellor. *Beaunit Mills* v. *Eday Fabric Sales Corp.,* 124 Fed. (2d) 563 (C. C. A. 2); *Bellavance* v. *Plastic-Craft Novelty Co.,* 30 Fed. Supp. 37 (D. C. Mass.); *Williams* v. *Collier,* 32 Fed. Supp. 321 (D. C. Pennsylvania).

Section 4921 speaks in terms clearly equitable. As was said by the court in the *Beaunit Mills* case, supra, "It is true that on issues of patent infringement a jury trial may be had under a claim for damages only, 35 U. S. C. A. § 67 (R. S. 4919), as distinguished from a claim for injunction and accounting of profits. 35 U. S. C. A. § 70 (R. S. 4921). Here . . . the complaint . . . is framed along equitable lines looking to injunctive relief, both prohibitory and mandatory in character, as well as an accounting, to-

gether with declaratory relief. . . . This appears to stamp it as presenting equitable issues only, . . .; and hence when the district judge acted, he was correct in denying jury trial. But this does not necessarily mean that a jury issue may not later develop. . . . If, however, issues of a legal nature are later developed, the question of jury trial will have to be determined in the light of the then status of the case." In the *Bellavance* case, *supra,* it was held that where the cause was equitable in nature and the relief sought was equitable, the fact that damages were also sought for past infringement did not entitle the plaintiff to a jury trial on the issue of damages. The court said, "The distinction between Law and Equity, abolished by the new rules, is a distinction in procedure and not a distinction between remedies." See also *Barton* v. *Barbour,* 104 U. S. 126, 133. It is, of course, true that under § 2 R. S., 28 U. S. C. A. 772, district courts sitting in equity for the trial of patent cases may impanel a jury and submit to it such questions of fact as the court may deem expedient, the verdict of the jury being binding upon the court, but this does not mean that a trial by jury in such causes is a matter of right. The calling of the jury is within the discretion of the court, Federal Rules of Civil Procedure, Rule 39; *Keys* v. *Pueblo Smelting, etc. Co.,* 31 Fed. 560 (C. C. Colo.), and such discretion may be exercised even in cases where the plaintiff, having a right to jury trial, waives the right by failure to make timely demand. *Goldman Theatres* v. *Kirkpatrick,* 154 Fed. (2d) 66 (C. C. A. 3).

The contention that the plaintiff in his amended complaint states no new issue, may be true, but the amended complaint states a different cause of action. In the one case an equitable remedy is sought and damages are but incidental to the main prayer for relief. In the other damages constitute the sole ground for the action. It is our view that the petitioner could not have demanded a jury

trial at the time of the original pleading because the suit was then exclusively in equity, even though a right to trial by jury might subsequently have arisen upon an adjudication of validity and infringement. For an application of the principle that one does not, by non-action, waive a right when there is no basis for choice, and where the elements from which selection must be made and which alone give it meaning, have not yet come into existence, see *Gentsch* v. *Goodyear Tire & Rubber Co.*, 151 Fed. (2d) 997, 1000 (C. C. A. 6); *Buckley* v. *Commr.*, 158 Fed. (2d) 158 (C. C. A. 2).

The writ will issue directing the respondent to vacate the order striking the jury demand.